

AMENDED IN ASSEMBLY MARCH 14, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

## ASSEMBLY BILL

**No. 10**

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**Introduced by Assembly Member Alejo**  
***(Coauthor: Assembly Member Allen)***

December 6, 2010

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An act to amend Section 1182.12 of the Labor Code, relating to wages.

### LEGISLATIVE COUNSEL'S DIGEST

AB 10, as amended, Alejo. Minimum wage: annual adjustment.

Existing law requires that, on and after January 1, 2008, the minimum wage for all industries be not less than \$8.00 per hour.

This bill would increase the minimum wage, as of January 1, 2012, to not less than \$8.50 per hour.

This bill would provide for an adjustment to the hourly minimum wage on January 1, 2013, and annually thereafter, to maintain employee purchasing power. The automatically adjusted minimum wage would be calculated using the California Consumer Price Index, as specified. *The bill would prohibit the Industrial Welfare Commission from adjusting the minimum wage downward and from adjusting the minimum wage upward if the average percentage of inflation for the previous year was negative.* The bill would require the Industrial Welfare Commission to publicize the automatically adjusted minimum wage.

~~This bill would prohibit provide that its provisions from being not be construed either to preclude an increase in the minimum wage greater than the formula would provide or to result in a reduction in the minimum wage.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1     SECTION 1. Section 1182.12 of the Labor Code is amended  
2     to read:  
3     1182.12. (a) Notwithstanding any other provision of this part,  
4     on and after January 1, 2012, the minimum wage for all industries  
5     shall be not less than eight dollars and fifty cents (\$8.50) per hour.  
6     (b) (1) ~~The~~ *Except as provided in paragraph (3), the* minimum  
7     wage shall be automatically adjusted on January 1 of each year,  
8     commencing on January 1, 2013, to maintain employee purchasing  
9     power diminished by the rate of inflation that occurred during the  
10    previous year.  
11    (2) The minimum wage adjustment shall be made by multiplying  
12    the minimum wage in effect on December 31 of the previous year  
13    by the percentage of inflation that occurred during that year, and  
14    by adding the product to the wage in effect during that year. The  
15    resulting total shall be rounded off to the nearest five cents (\$0.05).  
16    The Industrial Welfare Commission shall publicize the  
17    automatically adjusted minimum wage.  
18    (3) *The Industrial Welfare Commission shall not adjust the*  
19    *minimum wage pursuant to this subdivision if the average*  
20    *percentage of inflation for the previous year was negative.*  
21    ~~(3) For purposes of this calculation~~  
22    (4) *For purposes of this subdivision,* the following terms have  
23    the following meanings:  
24    (A) “Percentage of inflation” means the percentage of inflation  
25    specified in the California Consumer Price Index for All Urban  
26    Consumers, as published by the Department of Industrial Relations,  
27    Division of Labor Statistics and Research, or its successor index.  
28    (B) “Previous year” means the 12-month period that ends on  
29    August 31 of the calendar year prior to the adjustment.  
30    (c) *The Industrial Welfare Commission shall not reduce the*  
31    *minimum wage prescribed by this section.*  
32    ~~(e)~~  
33    (d) This section shall not be construed ~~either~~ to preclude an  
34    increase of the minimum wage by the Industrial Welfare  
35    Commission in an amount that is greater than the rate calculated

1 pursuant to subdivision (b) ~~or to result in a reduction in the~~  
2 ~~minimum wage.~~

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5 **CORRECTIONS:**

6 **Text—Page 2.**

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